

Approved For Release 2001/08/10 : CIA-RDP61-00274A000100090028-8

Office Memorandum • UNITED STATES GOVERNMENT

TO :

DATE: 10 June 1957

FROM :

25X1A9a

SUBJECT: Printing Services Division/Administration Building Plant

1. Pursuant to your request the following information is given to show the monthly production charges since the transfer of this office. The attached chart illustrates this information.

The following is a comparison with the same period last year:

<u>DATE</u>	<u>LABOR</u>	<u>MATERIALS</u>	<u>TOTAL CHARGES</u>	<u>PERSONNEL</u>
Apr 1956	\$40,048.53	\$9,424.50	\$81,512.45	124
May 1956	45,177.39	10,265.78	94,282.04	123
Apr 1957	34,430.16	11,394.39	66,498.87	112
May 1957	47,497.51	12,219.34	88,260.84	112

2. As you are aware, employee processing in connection with the transfer was so time consuming and extensive that production was seriously affected for the first three months. As a matter of fact, it is only since last month (May) that some semblance of normalcy was re-established. I believe I can give you some information as to the question of savings now that we are a part of the Agency, as compared with GPO. This information is considered confidential by GPO, and if we are to maintain their goodwill, it should not go beyond the need-to officials in CIA only.

(a) On our supply items, GPO charges 10% for handling. Our annual supply consumption for calendar year 1956 was \$128,340., most of which was for CIA. It seems to me rather excessive to charge 10% extra to purchase and store our supplies, particularly since the Agency always furnished the largest items, namely, paper and the expensive photographic film and paper.

(b) On the matter of equipment, depreciation, unless I was misinformed, GPO had an illogical but profitable method (which I understand has recently been corrected) of changing for depreciation regardless of age. The Agency received gratis over a quarter of a million dollars of equipment. The estimated 75% depreciation charge for this would be \$18,750, which if my facts are correct, was normally added to the total charges.

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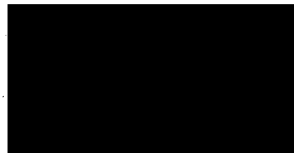
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 By:

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(c) In reference to production figures, as I explained to you, GPO was more concerned about overhead than production, as they realized our type of work mainly involved labor and not sheets of paper through the press, or negatives processed. For instance, one map of which 25 copies were rendered could conceivably require a week to process, whereas another map with 5000 copies, same number of negatives, requires only 2 days.

Keeping production figures for a plant doing the million dollars a year volume we do would require extra office help, in turn this would increase the overhead. Therefore, GPO did not insist on these figures, as they would not reflect a true picture as much as the dollar volume and overhead costs do. The latter gave a better measurement of efficiency for their own needs and satisfaction. Our Branch Chiefs did periodically monitor the output of all production employees.

By request of higher authority, we are making preparations to record production on IBM cards this next fiscal year and we hope this does not interfere with our cost computing as required for the monthly billing which is time consuming and should not be interrupted.



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Attachment

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C.I.A. Work		GPO Billing		Actual C.I.A. Bill		SAVINGS
MONTH	Labor	MATERIAL	Labor	MATERIAL	TOTAL	
JANUARY	583184	194497	991413	212947	1205360	1127584
FEBRUARY	1523719	682029	2590322	750232	3340554	3119954
MARCH	2491216	916232	4435067	1007855	5242922	4910969
APRIL	3320685	1080317	5645164	1198349	6843513	6401154
MAY	4560653	1132654	7753161	1245919	8999080	8446050
JUNE	5318753	1317454	9036780	1526199	10562979	9892690
						Total Savings \$2285001